

HPMS E-Mail

Date: May 21, 2013

Subject: Medicare Part D Sponsor's Pharmacy Network Submission Accuracy and New Medicare Plan Finder Functionality

Message:

On April 26, 2013, CMS issued a memo on CY2014 Medicare Plan Finder pricing data submission guidance. We would like to remind you of the importance of accuracy in identifying preferred pharmacy pricing in these submissions, as stated in the 2014 Call Letter:

If a plan sponsor does not have contracted preferred pharmacy arrangements at the time of bid submission, that sponsor may not indicate the offering of a preferred network in the PBP, in any associated marketing materials, or in Plan Finder pricing file submissions. Conversely, any preferred pharmacy arrangements must be accurately identified in the PBP, in any associated marketing materials, or in Plan Finder pricing file submissions in accordance with CMS instructions. A pharmacy may only be associated with the plan's preferred network in any of these materials if a lower differential cost sharing applies to some tiers of formulary drugs at that pharmacy than actually applies at pharmacies in the non-preferred network. If a sponsor does not differentiate cost sharing between preferred and non-preferred networks, it may not designate any pharmacies in its network as preferred.

In addition, we would like to let you know in advance that we are exploring the feasibility of adding new functionality to the Medicare Plan Finder for 2014. This new functionality would allow users to compare plans not only on the basis of projected annual costs for the beneficiary in premiums and cost sharing, but also on the projected total drug costs (total negotiated prices).